

## **Section-by-Section Analysis**

### **Amendment in the Nature of a Substitute to H.R. 5143, the H-Prize Act of 2006**

#### ***Section 1. Short Title.***

The H-Prize Act of 2006.

#### ***Sec. 2. Definitions.***

Defines Administering Entity, Department and Secretary.

#### ***Sec. 3. Prize Authority.***

Requires the Secretary of Energy to create a prize to advance the research, development, demonstration and commercial application of hydrogen energy technologies.

Requires the Secretary to advertise the prize competitions widely to encourage broad participation, including outreach to historically black colleges and universities, other minority serving institutions, as well as large and small businesses, including minority and disadvantaged businesses. Includes a specific direction to announce the prize competitions through publication of a Federal Register notice.

Requires the Secretary to enter into an agreement with a private, non-profit entity to administer the prize competitions. Enumerates the duties of the administering entity to include advertising the prizes and their results, fundraising for administrative costs and cash prizes, working with the Secretary to develop prize criteria based upon goals provided by the Secretary, working with the Secretary to determine the appropriate amounts for prizes awarded under the transformational changes category described in section 4, and selecting judges using criteria developed in consultation with the Secretary.

Authorizes the Secretary to use funding directly appropriated for such purposes to the Department of Energy (DOE) or other agencies and to accept funds provided by private entities or individuals. Prohibits the announcement of any prize competition until sufficient funds are available. Sunsets the authority to award prizes in 2017.

#### ***Sec. 4. Prize Categories.***

Defines prize categories for:

- (i) **Components or Systems.** Establishes up to four \$1 million prizes awarded every other year to the best technology advancements in components or systems related to hydrogen production, hydrogen storage, hydrogen distribution, and hydrogen utilization. Provides the Secretary the discretion to reduce the amount or number of prizes based upon the availability of funds.
- (ii) **Prototypes.** Establishes one \$4 million prize for prototypes of hydrogen-powered vehicles or hydrogen-based products that best meet or exceed

objective performance criteria. Awards prototype prizes in years alternate with the technology advancements prize. Prohibits the Secretary from awarding the prize if no entrant meets the objectively defined performance criteria.

- (iii) **Transformational Changes.** Establishes a minimum \$10,000,000 lump sum prize award for transformational changes in technologies for the production and distribution of hydrogen that meet or exceed far-reaching objective criteria. Limits the federal contribution to \$10,000,000, and sets a private fundraising goal of \$40,000,000 for prize money provided as matching funds for every dollar of private funding raised by the winner for the continued development of their winning technology.

Requires the Secretary to establish contest criteria through consultation with the Hydrogen Technical Advisory Committee, other federal agencies including the National Science Foundation, and private organizations including the National Academy of Sciences. Requires the Secretary to appoint contest judges from the private sector and agencies outside DOE. Excludes judges who may have a personal or financial relationship with any contest participant.

#### ***Sec. 5. Eligibility.***

Requires contestants to register through the process published in the Federal Register. Requires contestants be incorporated and maintain a primary place of business in the U.S. if a private entity, or must be a U.S. citizen if an individual. Excludes from participation any Federal entities or Federal or national laboratory employees while on duty.

#### ***Sec. 6. Intellectual Property.***

Waives claims by the Federal government to any intellectual property rights derived from participation in the prize competitions.

#### ***Sec. 7. Liability.***

Requires contestants to waive claims against the Federal Government resulting from participation in prize competition activities. Requires contestants to have liability insurance against damages resulting from participation in any prize competition activity and to name the Federal Government as an additional insured entity.

#### ***Sec. 8. Authorization of Appropriations.***

Authorizes \$11 million for each of fiscal years 2007 through 2016, with funds expiring 10 fiscal years after the fiscal year in which they were appropriated.. Limits the use of appropriated funds for administrative expenses to no more than \$2 million in any fiscal year.

#### ***Sec. 9. Nonsubstitution.***

Expresses a sense of the Congress that the prize competitions shall not act as a substitute for any research and development programs.